

## **EXHIBIT 1**

### **INTRODUCTION**

Respondent Anthony Villafranca was an unsuccessful candidate for the city council in National City, in the November 3, 1998, Municipal Election. Respondent Friends to Elect Tony Villafranca was his controlled committee. On or before October 10, 1998, Respondents were required to register with the Secretary of State by filing a statement of organization. Respondents failed to file the statement of organization, in violation of Government Code section 84101, subdivision (a). On or before February 1, 1999, Respondents were required to file a semiannual campaign statement. Respondents failed to timely file the semiannual campaign statement, in violation of Government Code section 84200, subdivision (a).

For purposes of this Stipulation, the violations of the Political Reform Act (“Act”)<sup>1</sup> are as follows:

COUNT 1: On or before October 10, 1998, Respondents failed to file a statement of organization within 10 days of qualifying as a committee, in violation of Government Code section 84101, subdivision (a).

COUNT 2: On or about February 1, 1999, Respondents failed to timely file a semiannual campaign statement, for the reporting period October 18 to December 31, 1998, in violation of Government Code section 84200, subdivision (a).

RESPONDENTS: Anthony Villafranca, Friends to Elect Anthony Villafranca.

### **SUMMARY OF THE LAW**

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to assure that receipts and expenditures in election campaigns be fully and truthfully disclosed, in order for voters to be fully informed, and improper practices inhibited.

Section 84101, subdivision (a), requires candidates to file a statement of organization (Form 410) with the Secretary of State within 10 days of qualifying as a committee. A candidate qualifies as a committee by receiving campaign contributions of \$1,000 or more in a calendar year. (Section 82030, subd. (a).) Upon receiving the statement of organization, the Secretary of State must assign an identification number to the candidate controlled committee. (Section 84101, subd. (a).)

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<sup>1</sup> The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at California Code of Regulations, Title 2, sections 18109-18996.

Section 84200, subdivision (a), requires candidates and their controlled committees to file two semiannual campaign statements (Form 460) each year. For the period January 1 to June 30, the filing deadline is no later than July 31. For the period July 1 to December 31, the filing deadline is no later than January 31 of the subsequent year. Candidates and their controlled committees may terminate their filing obligations by filing a statement of termination (Form 410). (Section 84214, Regulation 18404.)

### **SUMMARY OF THE FACTS**

Anthony Villafranca was an unsuccessful candidate for the city council of National City, in the November 3, 1998, Municipal Election. Respondent Friends to Elect Tony Villafranca was his controlled committee. The respondent candidate served as the treasurer of his committee.

According to Respondents' campaign records, Respondent Villafranca contributed \$2,750 to his campaign committee on or before September 30, 1998. Within 10 days of the contribution, Respondents were required to file a statement of organization with the Secretary of State. Respondents failed to file the statement of organization.

On or about February 1, 1999, Respondents failed to timely file a semiannual campaign statement for the reporting period October 18 to December 31, 1998. On December 31, 1998, before the February 1, 1999 filing deadline, the City Clerk of National City, Michael R. Dalla, sent a letter to Respondents directing them to file the post-election campaign statement. Mr. Dalla enclosed with the letter the appropriate forms that Respondents needed to file.

After the filing deadline, Mr. Dalla sent two additional written notices to Respondents on February 5 and February 18, 1999, respectively, reminding them to file a semiannual campaign statement. On March 31, 1999, Mr. Dalla telephoned Respondent Villafranca. During the telephone conversation, Respondent Villafranca told the City Clerk that he had been out of town, and that he would pick up the forms that he needed to file the next day. Respondents failed to pick up the required forms. On April 1, 1999, Mr. Dalla mailed Respondents a second set of forms for Respondents to file.

On May 21, 1999, an investigator from the Fair Political Practices Commission left a message for Respondent Villafranca on his home answering machine. Respondent did not return the investigator's call. Respondents did not file the campaign statements until after an attorney from the Enforcement Division contacted them in May 2001.

### **ADDITIONAL INFORMATION**

Before the election, Respondents timely filed two pre-election campaign statements on October 5 and October 22, 1998, respectively. According to the second pre-election statement, Respondents raised \$5,550 and spent \$5,450. Except for one contribution of \$250, Respondent Villafranca was the only contributor to his campaign.

Respondent Villafranca is an experienced candidate. He was an unsuccessful candidate for city

council in two previous elections (1998 and 1992). During both of his earlier campaigns, Respondent Villafranca properly registered and terminated a controlled committee by filing the appropriate forms with the Secretary of State. Respondent Villafranca has not previously been the subject of an FPPC enforcement action.

### **CONCLUSION**

This matter consists of two counts, which carries a maximum possible penalty of Four Thousand Dollars (\$4,000). However, the typical stipulated administrative penalty for the late filing of a post-election, semi-annual campaign statement has historically ranged from \$500 to \$1,500 per statement.

In this matter, as Respondents timely filed their pre-election campaign statements and have no prior enforcement history, the agreed upon penalty of One Thousand Two Hundred Dollars (\$1,200) is justified.